the pure360 email maturity benchmarking report

are you part of the 1% who get it right?

#pure360maturity
Foreword by Dr Dave Chaffey

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How to join the one percent
I believe that benchmarking the maturity of digital marketing capabilities is an essential approach for businesses who are serious about making the most of opportunities from digital communications and channels.

Benchmarking of email marketing maturity is particularly valuable since email is a key sales driver for many businesses. Yet research shows, again-and-again, that businesses struggle to use it to its full potential. Marketers know that sending relevant, personalised emails to subscribers will get the best response, but as this report shows, the core techniques to deliver relevant emails like segmentation, data-driven targeting, progressive profiling, behavioural emails and dynamic content tend to be used by a select few at the highest levels of capability.

The power of benchmarking maturity is in its ability to give an objective evaluation of your current use of best practices and identifies the gap between where you are and where you need to be. You can then demonstrate this gap to colleagues and make the case for change and additional resource to take your marketing to the next level.

One finding within this research that I found particularly interesting is that marketers who are more advanced in three key areas: data, automation and proactive campaigns, see an increase in email marketing results of 20%. This opportunity isn't being grasped by marketers due to the challenges they are facing in reduced resources and increased responsibilities, but really these should remain at the top of marketer's priority list.
Additionally it appears that there are many barriers to improving the maturity of email marketing including lack of resources within Marketing (31% mentioned), lack of support from IT (31%) and data integration (26%). In my experience, the best way to break down the barriers is to get different teams to participate and agree a clear customer communications strategy to improve subscriber engagement over the whole customer lifecycle.

Benchmark audits are quantitative, but there are often human, organisational and cultural reasons behind lack of adoption of more advanced email marketing techniques. So in this report it’s good to see this acknowledged with the research-based ‘pen portraits’ of different types of email marketers. Which ones do you most closely fit? Once you see where you fit, use the insights from this research to see how you can improve.

I’m pleased to write the foreword to this report since I know my belief in the power of benchmarking is shared by Pure360 in their practices. I know through collaborating with them to review their approach to maturity assessment that it’s at the heart of their strategy and approach, particularly for their Account Managers who continually work with clients to review and improve their use of email marketing, using the insights available in their platform to drive best in class results.

All the best for taking your email marketing to the next level!

Dr Dave Chaffey,
Co-founder, CEO of Smart Insights
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Email marketing has quietly grown up. Recent advances in data integrations and automation mean the channel is capable of predicting people’s desires before they voice them and even responding to customer behaviour in real time.

But capability does not always translate into practice.

At Pure360 we set out to investigate how the UK marketing community is using email by interviewing digital marketers at large and medium-sized companies from a wide range of sectors.

We discovered great variety in the sophistication of approaches at work, from primitive scattergun tactics to intelligent cross-channel communications that tap into every nuance of the customer journey.

Our research found that only one percent of brands are using email to its full potential, while the other 99 percent are missing out on significant returns.

The data also reveals a direct correlation between the sophistication of email marketing and its effectiveness. Even small advances make a difference – whether campaigns are designed to drive purchases, generate leads or spark engagement.

About the research
This report is based on interviews with digital marketers responsible for email marketing at 205 large and medium-sized UK companies. Participants were selected from a cross-section of industries, with research conducted in October 2015.
Part 1

model

behaviour.
At Pure360, it’s our business to explore the latest developments in the email marketing landscape. Using this knowledge our experts have developed the Email Maturity Model, which reveals the market is divided into six levels of sophistication. This is based on the standard of approach to influential factors, including data capture, performance measures and content optimisation. The Maturity Model underpins our methodology to working with our clients to ensure they continue to make digital marketing advances to keep competitive edge.

Figure 1 - Pure360 Email Maturity Model

A note on Self Servers
This report is based on consultation with professional digital marketers in large and medium-sized firms. As Self Servers are often found in smaller businesses without specialist digital marketing resource, they were not included in this particular analysis, instead this report focuses on the five higher stages of the Maturity Model.

Our accompanying Guide to the Email Maturity Model includes guidance for Self Servers.
Part 2
measuring maturity.
Our research found that the effectiveness of email marketing hinges on the sophistication of three crucial criteria:

**Objectives and evaluation:** How advanced are brands’ email marketing strategies? How do they evaluate performance measures and refine KPIs?

**Data:** How is customer data being captured and managed? Are firms making best use of technology?

**Campaign execution:** How sophisticated is their outreach? How bespoke is their content?

**The secret to sophistication**
What’s striking about the criteria behind this model is that the most advanced email marketers take a holistic view, but those who have truly achieved this are few and far between.

Clever use of data is the missing link in many brand strategies (see Fig. 3). The recent trend towards personalisation has become a double-edged sword. Bespoke content and sophisticated targeting are of course crucial to effective email marketing, but even the most ambitious campaign will fall flat if it is built on flawed or unquestioned data. The resulting errors in segmentation and content decisions can cause personalisation to backfire.

Great content must be matched by a sound overall strategy and crucially, excellent capture and management of data. There is no silver bullet, but marketers can use these criteria as a guide to balancing their own approach.
The data dilemma

Advances in data capture are both an opportunity and a challenge. Many marketers simply do not have the time, resource or skill to analyse complex data sets, meaning that much of it goes unused, or is only utilised at a fairly superficial level. Retail, as a sector, has been seen as being at the forefront of data-led campaigns. However, in practice, only a small amount of brands are truly succeeding in not only capturing the right pieces of information but integrating their systems to deliver actionable insights.

“Brands such as Amazon are setting the standard with highly targeted, one-to-one email conversations. Marketers from all sectors should look at these best in show examples and take inspiration from the way they prioritise data insight and go beyond simple date based automations, abandoned basket and replenishment campaigns.” - Becky Hestirige, Pure360 Content Marketing Manager
Based on these criteria our study found only one percent of digital marketers have reached the pinnacle of the Maturity Model. What's more, only ten percent of firms sit in the top two levels. That leaves nine in ten UK brands missing out on email marketing's ability to spark truly intelligent conversations.
There are good reasons so many firms are stuck in the middle. Moving from being a Segmenter to a Recommender is a big step. It involves analysing customer behaviour and crafting content for every single combination of personas and moments in the sales cycle. It’s a substantial commitment of time and resource.

“The transition between Recommender and Predictor is even more challenging. It takes best in class integration, data and technology, capital investment and specialist data analysts. As the financial benefits of a more mature approach have until now gone unproven, its understandable that few brands have taken this step.”

- Nicola Webster, Pure360 Product Marketing Manager

Some sectors are blazing a trail for others to follow. Retailers have developed particularly advanced strategies, due in part to their ability to capture data at multiple digital touch points and analyse device usage. As a result they are catching customers at the right time, in the right place, with the right message. Greater returns on investment naturally follow.
Part 3

why maturity matters.
Marketers told us that, perhaps more than any other channel, the effectiveness of email is dramatically dependent on the intelligence of the approach behind it.

There is a direct correlation between the sophistication of email marketing, and its effectiveness, competitiveness and financial return.

Age has its benefits
At more than 40 years old it’s easy to think we know everything about email. In comparison to social media it can look decidedly middle-aged.

But the irony is, with so many new channels to tie together, email’s ability to integrate cross-channel conversations has suddenly come into its own.

“Some of the most advanced strategies use complex loyalty data capture and merge it with bricks and mortar signals to get a detailed picture of customer behaviour. This in turn can be integrated with mobile programmatic, geo-location or digital outdoor advertising, selecting the perfect message at the precise moment that customers are most receptive to it.” - Komal Helyer, Pure360 Head of Marketing
Part 4

the lost twenty percent.
Despite the fact that most of the profession is using email in a relatively unsophisticated way, marketers still rate it as one of the most effective tools at their disposal.

Digital marketers rank email only eighth among their marketing channels for the sophistication of their own approach – yet fourth for overall effectiveness.

With so many firms using email in a rudimentary way it could become an even more effective tool with a smarter approach.
Data delivers

By focusing on three key areas: improved use of data, improved automation and taking a more proactive approach, we have found that marketers could improve their KPIs by at least 20 percent. That means better open rates, improved retention and even increased repeat purchases.

So why isn’t this happening across the board?

Almost every marketer, regardless of business size, is fighting a battle of reduced resources and increased responsibilities. Developing a new automation strategy or a pre-emptive approach can get pushed to the bottom of the list when the channel is already delivering decent results.

But when such a tangible benefit across key objectives (a twenty percent uplift in click-through rates and sales) is at the tips of our fingers, we can’t let the opportunity slip by.

Figure 8 - Potential improvements in email marketing results
Taking inspiration from related worlds

Listening to digital marketers it’s clear that some sectors are far ahead of others in the way that they achieve particular objectives. For example retail has created the most advanced approach to driving repeat purchases, while financial services firms are adept at generating leads and cross-selling products using sophisticated data analysis.

Brands from all industries can look to these leading sectors for clues for how to achieve their own primary objective. Crucially, the most advanced strategies acknowledge the difference between data and facts. Data can tell you a customer has taken out a child’s savings account, suggesting they might be a parent and so could be interested in pension or mortgage products. But the smartest systems look beyond the data to confirm the fact.

Combining this clue with demographic details and the customer’s other behaviours may reveal a grandparent with an interest in entirely different products. Frequency of behaviour is another crucial clue. Even businesses that thrive on infrequent purchases such as travel agents should look beyond the most recent purchase to the long-term pattern.
Part 5

barriers to maturity.
So what is stopping marketers enjoying the substantial benefits of more refined strategies?

Our in-depth analysis of the email marketing landscape uncovered a complex array of challenges. The picture varies from sector to sector and by individual objectives.

![Figure 10 - Proportion of respondents facing email marketing challenges](image-url)

- **31%** Overwhelming workload
- **31%** Overreliance on the IT department for mail-outs
- **28%** Lack of design resource
- **27%** Lack of specialist skills and knowledge
- **26%** Lack of data
- **26%** Channel is undeliverable
- **21%** My role is too broad
- **21%** Lack of appropriate content
- **20%** Lack of dedicated resource to email marketing
- **30%** Stale email list
- **29%** Lacking technical expertise to work with data
- **19%** Lack of adequate technology infrastructure

barriers to maturity.
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Figure 11 - The greatest challenge by level of maturity and industry
The biggest challenge for retail is integrating a myriad of systems such as e-commerce and CRM, which often relies on IT departments to extract the right data to enable segmentation. In this fast moving arena, marketers need data immediately, not when their IT department can spare the time.

There is a distinct lack of data when it comes to professional services due to the fact that most information gathering takes place offline, so maintaining CRM systems is laborious and subject to human error.

Financial services marketers have to overcome a lack of data due to the complex array of products and business areas in play. Additionally heavy regulation in how the sector promotes itself places difficult restrictions on outward facing content.

Many manufacturing firms are using old systems. Typically, digital is a low priority, with most marketers in this sector relying on trade magazines and conferences as their primary channels.

The key issue faced by marketing communications is that client work gets prioritised over their own marketing, leaving little resource for creativity and even less for innovations in strategy.

Equally, the channel is sometimes undervalued as marketers can be guilty of overlooking email in favour of younger channels.

With many technology brands, purchases can be infrequent. As such, marketers can struggle to justify investing in the technology needed to analyse data and maintain healthy lists.
Greater personalisation is key to email and digital sophistication regardless of where you sit in the Maturity Model or what industry you are in. Data is a running theme through all industries as the major challenge, but also an essential factor to success. Understanding your consumer and delivering conversations that are not only responsive to behaviour but predict future behaviour is essential.

The journey starts with increased data sophistication through integrating disparate data sources and systems. Deeper understanding of results dissected by customer clusters allows you to target the right message to the right audience. For many industries great advances also come through blurring the conversations between online and offline. And development of integrated mobile and Internet of Things strategies will help many brands reach their business objectives in 2016.

Before implementing anything, setting objectives in line with your business goals is paramount, then find out if you have the data to support your ambitions. If not, start capturing extra fields on sign-up forms, or extracting additional information from your existing list, perhaps using preference centres. Involve your IT teams to start integrating systems and implement an integrated data solution with help from your ESP. When it comes to measurement go beyond the industry standard - work out your own metrics based on your specific challenges. Look past general open and click rates to find clusters of consumers that behave differently. This insight will help inform future campaigns and strategies.

By experimenting and keeping your campaigns on the forefront of mobile advancements you not only ensure your communications stand out in a crowded space but you will also deliver great results.

One of the most encouraging things about this new research is that as you move up the maturity there are great dividends and each small step towards a more mature approach increases results; it’s not an all or nothing situation. Set short-term goals and milestones, and aim to improve KPIs incrementally in line with your budget and resources. And finally don’t be afraid to experiment with new techniques and test, test and test again!

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How can we help you move up the Maturity Model?

Get in touch to find out how we could help you improve your results

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